RAJYA SABHA

Wednesday the 14th December, 1991/13, Agrahayana, 1913 (Saka)

The House met at Eleven of the Clock,

Mr. Chairman in the Chair

ORAL ANSWERS TO QUESTIONS

Legislation to regulate lotteries

*181. SHRI H. HANUMANTHAPPA :†

SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of HOME AFFAIRS be please to state :

(a) whether it is a fact that there are different rules in different States regarding running of lotteries resulting in loss of revenue;

(b) whether it is also a fact that no legislation has so far been enacted to regulate lotteries under the Central or State Government agencies as per entry forty of the "Union List" in the Constitution of India;

(c) if so, the reasons therefor ; and

(d) whether Government now propose to bring forward a legislation to bring uniformity in view of the fact that considerable amount of black-money is diverted through lotteries?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI M. M. JACOB): (a) to (d) A statement is laid on the Table of the House.

STATEMENT

Lotteries fall under two categories:

) Those organised by the Central nment and State Governments; and

hose organised by private organisations :

The first category of lotteries is covered by Item 40 in List I of the Seventh Schedule to the Constitution, namely, "Lotteries organised by the Government of India or the Government of State".

The Government of India does not organise or conduct any lotteries. However, a number of State Governments directly organise lotteries the income from which accrues to the State exchequer. In such cases the need for a cetntral legislation was not felt. However, in order to bring about some uniformity in the running of lotteries, the Union Government issued guidelines in 1984 stipulating, among others, the ceiling on prizes, interval between draws, price of tickets etc. There is no proposal at present for any central legislation on the subject.

Private lotterie of category (ii) above are pe mitted only by the State Governments in accordance with their laws and rules framed under Entry 34 (betting and gambling) of the State List in the VIIth Schedle to the Constitution,. In respect of this category ol fotteries, the State Governments are competent to frame laws and rules and to take appropriate action against malpractices regarding conduct of private lotteries.

SHRI H. HANUMANTHAPPA : Sir, the Ministry is not making any progress with regard to framing of the Central legislation I have asked a question in the year 1991 but the reply given by the Ministry holds good for the year 1950 when we framed our Constitution. He says that the lotteries fall under two categories. He has given Constitutional status to it. But he has missed a very important aspect in the question, that is, lotteries resulting in loss of revenue. I stress on that point.

Secondly, considerable amount of black money is being diverted for the purpose of lotteries. This is the stress in my question. Unfortunately the reply of the Minister does not touch that aspect at all. The reply given by the Minister says "However, a number of State Governments directly organise lotteries the income from which accrues to the State exchaecuer. In such cases the need for a Central legislation was not felt." This case was before the Wanchoo Commi ee. Af er he Wanchoo Committee's repor lo teries were made taxable, the prize money was made taxable but the whole realisation from the lotteries does not go to the State exchequer. Only a portion of it for State Governments has been exempted under section 284. But 40 per cent of the prize money is taxable. That aspect is not taken note of.

Secondly, there are a lot of malpractices in the lotteries and black money is being converted into white through sale of lotteries and the prize of the ticket is fixed at a premium. This has been observed by the Auditor General of India also.

In view of this, may I know from the Minister whether he would consider to bring out a Central legislation to plug loopholes at this stage?

† The question was actually asked on the floor of the House by Shri H. Hanumanthappa.

SHRI M. M. JACOB: It is not true that what has been stated in the statement is valid for the year 1950. The statement laid on the Table says that the guide lines were issued by the Government of India in 1984. The State Governments in accordance with their laws and rules framed under Entry 34 of the State List in the Seventh Schedule to the Constitution have permitted betting and gambling. Some of the State Governments are running lotteries directly by themselves and some of the State Governments have engaged private agencies to run lotteries on their behalf. The Central Government is not running any lotteries, though it is given in item 40 in List I of the Seventh Schedule, the Central Government is not running any lottery In view of this and of the guidelines issued to the various States, the Central Government never thought it was necessary to have a legislation to that effect. The Central Government is not running any lottery and the State Governments are really controlling it by proper legislations and rules as required.

SHRI H. HANUMANTHAPPA : Sir, again the hon. Minister has lost sight of facts when he has said that the Central Government is not running any lottery and has not felt the necessity of any Central legislation. On a rendom checking of the loss of revenues, it was found to be Rs. 44 crores in 1986-87 and Rs. 39 crores in 1988-89, roughly. Roughly, Rs. 45 crores is the revenue from lotteries. There are hundreds of items and thousands of persons who get them in lotteries. They are not, being accounted for at all. If there is a proper check, there will be hundreds of crores of revenue to the Government. That is one aspect of the matter.

The second aspect is conversion of black money into white money. No doubt, the hon. Minister says that there are the 1984 guidelines and the 1987 and other circulars. But what is the machinery that the Home Ministry is having to monitor and supervise whether the guidelines have been properly implemented ? Added to this, the hon. Minister washes off his hands saying that the State Governments are also permitted to issue licences for private lotteries asking them to take appropriate action. The Government of India is washing off its hands by shifting the responsibility on the State Governments in permitting private lotteries and, also in taking action. But the loss of revenue and conversion of black money into white are important aspects where the Government of India comes into the picture. What action does the Ministry propose to take to plug these loopholes ?

SHRI M. M. JACOB : Sir, regarding lottery being a source of finance, deduction of income-tax at source at the rate of 40 per cent is done by the Finance Ministry and the Taxation Department. It is not true that there is no money coming to the exchequer.

SHRI H. HANUMANTHAPPA : Thousands of cases are let out. The Auditor-General has pointed out. Not even 10 per cent are being accounted for. There comes the play of the Home Ministry.

SHRI M. M. JACOB : For that, we have to alert the Taxation Department. The Finance Ministry will have to take a view at it again to see whether there are loopholes at all. At the same time, on the question of generation of black money, I do not deny that there is black money also involved in the process of selling tickets or that benami transactions take place at lower levels. But at the same time, we find that the State Governments are making money out of them and these lotteries are being used for welfare activities and good purposes. Money does come in for welfar activities. So the Government of India never thought it necessary to interfere in that.

SHRI H. HANUMANTHAPPA : Sir, is the Minister unaware of various organisations.....*(Interruptions)*.

MR. CHAIRMAN : Mr. Bhandare.

SHRI H. HANUMANTHAPPA :... coming up for dog, cat, etc. lotteries ?

SHRI M.M. JACOB: It is not healthy. It has to be firstly looked into by the State Governments.

SHRI MURLIDHAR CHANDRAKANT BHANDARE : A lottery is at once the hope and despair of a poor man in the country. When he buys a ticket, he lives in the hope and in the dream that when the result of the draw is out, he will become rich overnight. The result has been that large earnings of several weaker sections are invested and lost in the lotteries. A lottery is nothing but betting and gambling. *(Interruptions)*. It does seem that the advantages are peripheral. The misuse of this system and the immense misery it causes to the poorer and weaker sections are immeasurable. In view of this, does the Central Government think of banning lotteries *in toto* ?

SHRI M. M. JACOB : In fact, the Government of India was not keen to have lotteries for a very long period. But the State Governments insisted that they should have the permission to run lotteries. In 1968, because of the pressure from various State Governments, the Government of India permitted the State Governments to have it. Till now, the Government of India is not encouraging State

Governments to have it. But, as you know, we are a federal structure andwe consider that the aspirations of the States have to be respected. And they consider this as one of the revenue-earning measures which can take care of some welfare activities. We know that the poor people are also taking tickets. Sometimes, they also get a bumper price. (*Interruptions*)

SHRI MURLIDHAR CHANDRAKANT BHANDARE : Then don't have the powers. (*Interruptions*). [Give it to the States. (*Interruptions*).

MR. CHAIRMAN : No argument. You said, they think that they will continue. (*Interruptions*) Prof. Saurin Bhattacharya.

PROF. SAURIN BHATTACHARYA: Mr. Chairman, Sir. the question I intended to ask is of the same nature as of Mr. Bhandare.

MR. CHAIRMAN : So that is all right.

PROF. SAURIN BHATTACHARYA: But I have an additional point to make. I think in a lottary of such a speculative nature, this type of speculative action should not be resorted to by any Government, I have heard what the Minister has said regarding the States rights. There are many matters on which the States' rights are not properly honoured or observed. Even in this particular case, the States' rights are ignored. I want that lottery at least by Government is totally banned. In other cases also, lasting restrictions should be put in private cases. I think that will be good for our national moral. From the point of view of....(*Interruptions*)...

MR. CHAIRMAN : Will you follow his advice.

SHRI M.M. JACOB : Sir, this is his suggestion. We will see what can be done.

श्री शंकर दयाल सिंह : मान्यवर, यह बात सभी जानते हैं कि यह जो लाटरियों का धंधा है इसमें सबसे अधिक हेराफेरी भी होती है और सबसे अधिक इसमें इन्कम टैक्स बचाने से लेकर... **(व्यवधान)**

श्री सभापति : आप प्रश्न कर लें ।

श्री शंकर दयाल सिंह : सरकार ने दो कैटेगरीज यहां पर दी हैं कि इन दो कैटेगरीज के अंतर्गत आजकल लाटरियां चालू हैं एक तो सरकारी माध्यमों से और दूसरा निजी संस्थाओं के माध्यमों से श्रीमन्, मैं आपके माध्यम से पहली बात तो यह जानना चाहता हूं कि क्या इसमें आपने कोई सीलिंग लगाई है कि गवर्नमेंट के माध्यम से कितनी लाटरियां चालू रहेंगी और निजी संस्थानों के माध्यम से कितनी चालू होंगी । दूसरी बात अनक्लेम्ड मनी की है । बहुत से लोग लखपति और करोड़पति बनने के लिए लाटरियां लेते हैं । आप जानते हैं कि हर महिने बहुत से लोग बहुत सा पैसा इसमें खर्च करते हैं । क्या सरकार के पास ऐसा कोई माध्यम है या जानकारी है कि अनक्लेम्ड मनी जो लाटरी टिकट बिकने की है वह कितनी है । सरकार उसके बारे में क्या निर्णय ले रही है ।

SHRI M. M. JACOB : Sir, regarding the first part of the question whether there is any ceiling on a private lottery, it is up to the State Government actually to provide for this, whether they want to discourage private lotteries or not. Many of the State Governments have discouraged private lotteries. Several State Governments have done it. But still there are some State Governments who have not furnished us the full information as to how many lotteries are under them. Regarding the moral aspect of it, I agree with him that this is a gambling instinct these days but at the same time, the State Governments thought it wise to make this money available for welfare activities.

SHRI SHANKAR DAYAL SINGH : What about the unclaimed money? Have you got any information regarding the unclaimed money ? What action is the Government going to take against those people ?

SHRI M. M. JACOB : Sir, it is for the State Government to take action in this matter. If it comes to the notice of our Government, we can take action.

श्री अजीत जोगी : मान्यवर, राज्य सरकारों द्वारा जो लाटरियां चलाई जाती हैं उनमें मुख्य शिकायत इस बात की है कि एजेंटों के माध्यम से लाटरियां चलाई गयी हैं । जो निजी संस्थाओं को भी लाटरियां दी गयी हैं वे भी एजेंटों के माध्यम से चलाई गयी हैं और एजेंटों ने लाटरियों में बहुत सी अनियमितताएं

और गोलमाल किया है । जो मार्गदर्शी सिद्धांत केन्द्र सरकार के द्वारा जारी किये जा रहे हैं क्या उनमें इस बात का प्रावधान है कि एजेंटों के माध्यम से जिसको भी लाटरी निकालने की स्वीकृति दी जाती है वह एजेंटों के माध्यम से लाटरी न निकाले । क्या ऐसा प्रावधान अपने मार्गदर्शी सिद्धांतों में आप करेंगे ?

SHRI M. M. JACOB : Actually, in the guidelines suggested by the Government of India, we have said that the State Government must even print the lottery tickets, supervise the lottery tickets and government officers must be present at the time of taking the draw. We have also provided a ceiling for the maximum money in bumper lotteries. Guidelines are definitely there.

SHRI AJIT P. K. JOGI : Are you banning the agents ? They are playing the mischief.

SHRI M. M. JACOB : No: that is up to the State Governments, Mr. Jogi.

SHRI AJIT P.K. JOGI : Why don't you include it in the guidelines ?

MR. CHAIRMAN : That is his suggestion. You should look into it.

श्री रामदास अग्रवाल : महोदय, मैं आपके माध्यम से मंत्री महोदय से जानना चाहता हूं कि लाटरी का जो बिजनेस सारे देश में और लगभग सभी प्रांतों में.....

एक माननीय सदस्य : : राजस्थान में ज्यादा । ...(व्यवधान)

श्री रामदास अग्रवाल : वहां उन लाटरीज में कितना प्राफिट होता है, इसकी जानकारी अवश्य होनी चाहिए, क्योंकि जो सत्य सामने आते हैं, उसके हिसाब से लाटरी खोलने में और उनके वितरण करने में और खर्चा इत्यादि कटने के बाद उसका नेट प्राफिट 3 प्रतिशत से ज्यादा नहीं होता लेकिन 3 प्रतिशत प्राफिट के लिए क्या इस देश में इस प्रकार की व्यवस्था चालू रहे, जिससे जुआ खेलने की प्रवृत्ति आगे बढ़े यह मेरा प्रश्न क. पहला भाग है । मेरे प्रश्न का दूसरा भाग यह है कि जो लाटरीज खोलते हैं, जिस व्यक्ति के नाम पर खुलती है, उनकी लिस्ट या उनका नाम आम तौर पर प्रकाशित नहीं होता है । इसमें से ऐसा आभास मिलता है कि जिनके नाम पर लटरी खुलती है और यदि वह गरीब आदमी है, तो वह लटरी टिकट किसी दूसरे को दे देता है और वह उसके लाभ से वंचित होकर किसी आदमी के हाथ में चला जाता है, जिससे उसे अपने ब्लैक रुपये को व्हाईट करने के लिए मौका मिलता है । तो ऐसी प्रवृत्ति को रोकने के लिए क्या सरकार किसी प्रकार की व्यवस्था कर रही है ?

SHRI M. M. JACOB : Sir, the Member is true when he says that some transaction has taken place like that, but that is an inevitable part of the consequence. But regarding the profit of various States I have got the list. I don't want to take the time of the House reading out the profit of all the States, how much money they have got.

SHRI RAMDAS AGARWAL : Percentagewise. I have come to know that the profit is hardly 3 per cent. I would like to know whether it is correct or not.

SHRI M. M. JACOB : Some of the States have got 4 per cent, some of them have got more than 4 per cent.

SHRI RAMDAS AGARWAL : Let it be three to four per cent. But, if not 3 per cent,...*interruptions*)...

SHRI M. M. JACOB : That is only a suggestion you have made and I have taken note of it.

Deaths in the AIIMS

*182. SHRI SANTOSH BAGRODIA:†

SHRI KRISHNA KUMAR BIRLA :

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state :

(a) whether it is a fact that a number of deaths have taken place in the Anesthesiology ICU of AIIMS during the last twelve months; and

(b) if so, what are the details in this regard and action taken to remedy the situation ?

†The question was actually asked on the floor of the House by Shri Santosh Bagrodia.